

From: Beggs, Brian <da6439ceaf8046f38905c94cf2bc89a9-brian beggs@endurance.com>
Sent: Tuesday, October 29, 2019 5:11 PM
To: Diers, Clinton <clint.diers@MarshMMA.com>; Genet, Jack <JGenet@sompo-intl.com>
Cc: Sentman, Jeremy <JSentman@sompo-intl.com>; Willits, Merritt <mwillits@sompo-intl.com>; Hennesy, Pat <phennesy@sompo-intl.com>
Subject: RE: James Justice FW: Urgent New Bond Request

Clint, we specifically discussed this in our meeting with Jay in May, we reminded Jay that the installment deal was for over 90 premiums and completely separate from their obligations to pay renewal premiums. Now they are overdue on their 2019 obligations. How is this not an issue?

I completely disagree with your statement that they have followed the deal we agreed to. We still do not have the information we asked for in May, nor have we had our engineers get access to the mines. At this point in time, I see no reason to meet.

Brian

From: Diers, Clinton <clint.diers@MarshMMA.com>
Sent: Tuesday, October 29, 2019 4:51 PM
To: Genet, Jack <JGenet@sompo-intl.com>
Cc: Beggs, Brian <bbeggs@sompo-intl.com>; Sentman, Jeremy <JSentman@sompo-intl.com>; Willits, Merritt <mwillits@sompo-intl.com>; Hennesy, Pat <phennesy@sompo-intl.com>
Subject: Re: James Justice FW: Urgent New Bond Request

EXTERNAL SENDER

Thanks Jack. They are following the deal that was agreed to. I do think you should ask for the current premium and to catch that up as well. Cash flow is their concern, but everything is on the table. Perhaps the equipment collateral could be sold/used?

Clint

Clint J. Diers, SVP - Surety
Marsh & McLennan Agency LLC
[4900 Libbie Mill East Boulevard, Suite 100 Richmond, VA 23230](#)
[804 915 5624](#) | Mobile [804 363 1171](#)
clint.diers@marshmma.com

On Oct 29, 2019, at 5:24 PM, Genet, Jack <JGenet@sompo-intl.com> wrote:

Clint,

We'll be happy to arrange a meeting and consider additional bonds after we receive the requested info.

Also, while Justice has made recent payments for collateral and past due premium as required under the 2/4/19 Amendment agreement, I want to point out that they have not made any payments on new premiums.

Defendant's
Exhibit 10

Also, I just got your email re: releases/new bonds/outstanding liability, which shows slightly lower exposure than our report (attached). Do you mind taking a look and letting me know what releases we're missing?

Thanks,
Jack

<image001.jpg>

Jack Genet
Senior Underwriter

12890 Lebanon Road
Mt. Juliet, TN 37122
Office: (615) 553-9587
Cell: (404) 735-2135
jgenet@sompo-intl.com

From: Diers, Clinton <clint.diers@MarshMMA.com>
Sent: Tuesday, October 29, 2019 11:01 AM
To: Genet, Jack <jgenet@sompo-intl.com>
Cc: Hennesy, Pat <phennesy@sompo-intl.com>; Sentman, Jeremy <JSentman@sompo-intl.com>; Willits, Merritt <mwillits@sompo-intl.com>; Beggs, Brian <bbeggs@sompo-intl.com>
Subject: RE: James Justice FW: Urgent New Bond Request

EXTERNAL SENDER

Jack, we have this list over to Justice and will send the information as soon as received. Last I spoke with Jeremy we were working on dates to meet with Jay as he wanted to go over each item in person. I believe Pat was on vacation last week, but can you provide some dates for a meeting in Nashville over the next few weeks? I think that is going to be the quickest way to get you the information you've requested.

In the meantime, can we please have a small amount of support on these pending bonds and increases? The message to Jay when he signed the agreement in January was that as long as he holds up his end, we will continue to work with him. He has not missed a payment yet. Sompo agreed that as bonds are closed out you would support replacing new requests. That was stated to Jay in our recent meeting. We're running the numbers but I think they have successfully closed out around \$4MM in bonds this year with little if any exposure added. I'm only saying that I think it will help us all get from point A to point B with a little bit of goodwill. Also it was discussed that after some water went under the bridge, Sompo would look at the overall deal again to make sure it's working for both sides. While no flexibility was given to his last minute request in September, he did immediately send \$3MM to Sompo in order to uphold his end. I would be prepared for him to request some tweaks to the agreement that will help his immediate cash flow, but still getting you to the end goal of \$20MM collateral and of course we already have the personal indemnity in place.

Thank you

Clint

Clint J. Diers, SVP - Surety
Marsh & McLennan Agency LLC
4900 Libbie Mill East Boulevard, Suite 100, Richmond, VA 23230

From: Genet, Jack <JGenet@sompo-intl.com>
Sent: Friday, October 25, 2019 3:47 PM
To: Diers, Clinton <clint.diers@MarshMMA.com>
Cc: Hennesy, Pat <phennesy@sompo-intl.com>; Sentman, Jeremy <JSentman@sompo-intl.com>; Willits, Merritt <mwillits@sompo-intl.com>; Beggs, Brian <bbeggs@sompo-intl.com>
Subject: RE: James Justice FW: Urgent New Bond Request

Clint,

We'll need the following info to assess our appetite for additional liability:

Overdue Items

- 12/31/18 financial statement Southern Coal
- 12/31/17 financial statement for Southern Coal
- Reserve reports for all properties (if unavailable, let's get something showing reserves/production by complex)

Questions and supporting documentation following from week of 9/24 correspondence

- Copy of the DHL settlement agreement
- Documentation or proof of compliance with the Virginia agreements
- Letters from TN and AL confirming which violations have been eliminated
- Name of your appellate counsel so we can discuss your strategy moving forward and your need for a supersedeus bond.

Questions and supporting documentation related to the 8/31/19 Bluestone Resources financial statement

- Bank statements verifying Bluestone Resources and Subsidiaries' cash
- Details on the \$1,005,120,611 Related Party Receivable shown on Bluestone Resources' 8/31/19 Balance Sheet
- Supporting documentation/methodology for the \$962,269,181 Mineral Rights & Reserves shown on Bluestone Resources' 8/31/19 Balance Sheet
- Copy of the Note behind the \$693MM long term payable shown on Bluestone Resources' 8/31/19 Balance Sheet
- Copy of the Note/Agreement behind the \$763MM Related Party Payables shown on Bluestone Resources' 8/31/19 Balance Sheet
- Details on the \$285MM Other Liabilities shown on Bluestone Resources' 8/31/19 Balance Sheet
- The Bluestone Resources 8/31/19 Consolidated Income Statement shows \$26.8MM in interest payments YTD. To whom was that \$26.8MM paid?

Other

- Recent wires have come from Blackstone Energy. Please provide details on Blackstone Energy and Justice's relationship with Blackstone Energy. Please also provide an address for Blackstone Energy.
- Details on the ERP Coke acquisition (purchase agreement, pitch documents, etc.)
- Copies of all credit agreements for Bluestone Resources & Subsidiaries, Southern Coal and all other entities ultimately owned by the Justice family
- Most recent covenant certificates corresponding to all credit agreements

Thanks,
Jack

<image001.jpg>

Jack Genet
Senior Underwriter

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jgenet@sompo-intl.com

From: Diers, Clinton <clint.diers@MarshMMA.com>
Sent: Thursday, October 24, 2019 10:36 AM
To: Lewis, Patricia L <Patricia.Ludwig-Lewis@MarshMMA.com>; Genet, Jack <JGenet@sompo-intl.com>
Subject: RE: James Justice FW: Urgent New Bond Request

EXTERNAL SENDER

Jack, following up, are we OK on this small bond?

Clint

Clint J. Diers, SVP - Surety
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4900 Libbie Mill East Boulevard, Suite 100, Richmond, VA 23230
804 915 5624 | Mobile 804 363 1171 | Fax 804 648 0655
clint.diers@marshmma.com

From: Lewis, Patricia L <Patricia.Ludwig-Lewis@MarshMMA.com>
Sent: Wednesday, October 23, 2019 7:02 AM
To: Genet, Jack <JGenet@sompo-intl.com>
Cc: Diers, Clinton <clint.diers@MarshMMA.com>
Subject: James Justice FW: Urgent New Bond Request

Amount is \$75,000 – need approval

Regards,

Patricia Ludwig-Lewis|Surety Department
Marsh & McLennan Agency LLC Company
4900 Libbie Mill East Blvd., Ste. 100
Richmond, VA 23230

From: Steven Shelton <steven.shelton@blackstoneenergygroup.com>
Sent: Tuesday, October 22, 2019 4:07 PM
To: Lewis, Patricia L <Patricia.Ludwig-Lewis@MarshMMA.com>
Cc: Bill Johnson <bill.johnson@blackstoneenergygroup.com>
Subject: Urgent New Bond Request

Patricia,

I need a bond per the attachment. Need this asap to prevent a CO on the 26th. This is a new bond. If you have any questions give me a call.

Thanks,
Steven Shelton

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